

**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street, Sacramento, CA 95814



December 9, 1985

ALL-COUNTY LETTER NO. 85-121

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: 1985/86 COST-OF-LIVING ADJUSTMENTS (COLA's) FOR  
THE IN-HOME SUPPORTIVE SERVICES (IHSS) PROGRAM

REFERENCE: ALL COUNTY LETTER NO. 85-76

On July 10, 1985, the above referenced All-County Letter was sent to all county welfare directors explaining the Budget Act of 1985 cost-of-living adjustments that affect the IHSS program. The purpose of this letter is to further clarify issues that have arisen regarding the COLA.

All-County Letter No. 85-76 states that the COLA applies to county welfare staff who are first-line provider supervisors. The intent was that the COLA provision apply only to supervisors (whether county welfare staff or contractor staff) to the extent that they actually provide services (domestic, non-medical personal services, and those related services necessary to enable a recipient to remain safely at home) even if those services are only provided by the supervisor on an emergency basis or on an as-needed basis.

Contracts that became effective on July 1, 1985, with increases in wages and benefits resulting solely from the competitive bid process, are required to add on the four percent COLA. If the county placed in its Invitation for Bid (IFB) a requirement that provider wages and benefits be increased, this is considered a COLA and is subject to control language and COLA funding requirements of the Budget Act of 1985. If the county did not specify that a COLA amount be included in the IFB, the four percent mandated COLA must be added to the competitively-bid contract rate and is also funded from the COLA allocation.

It is necessary that all counties amend existing contracts that were in effect on July 1, 1985 if they have not done so, to include the COLA effective July 1, 1985. Counties which are in the first year of a two-year contract should adjust their contracts to ensure that the 1985-86 COLA is continued through the second year term of the contract since it is cumulative. Counties negotiating a third year contract should also ensure that their contracts pass the COLA along cumulatively. When a new contract is competitively bid, counties are not mandated to require bidders to continue wages at current levels.

The COLA allocation does not contain 100 percent monies (funds not requiring a county match). It is budgeted and allocated on a sharing ratio of 90 percent

state/federal funds and 10 percent county funds. Therefore, even though a county can keep its IHSS program expenditures within its 100 percent monies, it must still share in the funding of its COLA expenditures.

If you have any questions regarding this information, please contact Jennifer Petty of the Adult Services Bureau at (916) 324-8773.



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cc: CWDA

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